

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NORTH CAROLINA  
GREENVILLE DIVISION**

In Re:

CAH ACQUISITION COMPANY 12, LLC,  
d/b/a Fairfax Community Hospital,

Debtor.

Case No. 19-01229-5

Chapter 11

**DEBTOR'S EMERGENCY MOTION FOR AND CONSENT TO  
APPOINTMENT OF CHAPTER 11 TRUSTEE**

The Debtor, by and through its proposed counsel of record, requests that the Court appoint Thomas W. Waldrep, Jr. as the Chapter 11 trustee in this case, pursuant to the provisions of 11 U.S.C. § 1104(a)(2). In support of this motion, the Debtor states as follows:

1. The Debtor filed its voluntary Chapter 11 petition on March 17, 2019.
2. The Debtor owns and operates a critical access hospital in Fairfax, Oklahoma.
3. Pending in this Court is the involuntary Chapter 7 bankruptcy case of the Debtor's related and affiliated entity, CAH Acquisition Company # 1, LLC, d/b/a Washington County Hospital (case no. 19-00730-5-JNC), filed on February 19, 2019 and the voluntary Chapter 11 case of CAH Acquisition Company #3, LLC, d/b/a Horton Community Hospital (case no. 19-01180-5-JNC), filed on March 14, 2019. Mr. Waldrep has been appointed as the trustee in both cases and continues to serve in that capacity.

4. The Debtor is one of twelve (12) hospitals (including Washington County Hospital) (collectively, the "CAH Hospitals") with common ownership and integrated management through a related entity, iHealthcare, Inc. Each of the CAH Hospitals is owned by Health Acquisition Company, LLC (80% interest) and HMC/CAH Consolidated, Inc. (20%

interest). Mr. Waldrep, as interim trustee in the Washington County Hospital case, continues to utilize iHealthcare, Inc. in the management of the hospital.

5. Several of the CAH Hospitals are currently the subject of state court receiverships in other states in which receivers have been appointed at the request of creditors or other parties in interest. As a result of the appointment of the receivers, significant amounts of cash and anticipated revenues for the CAH Hospitals are unavailable to fund the ongoing operations of the CAH Hospitals.

6. In light of the deteriorating financial and operational status of the Debtor (and the other CAH Hospitals), the Debtor has determined that it is the best interests of the Debtor, its creditors, and other parties in interest (including patients) for Mr. Waldrep to also be appointed as the Chapter 11 trustee in the Debtor's case, subject to the Court's approval. Therefore, the Debtor requests and consents to the immediate appointment of Thomas W. Waldrep, Jr. as Chapter 11 trustee in this case, pursuant to § 1104(a)(2) of the Bankruptcy Code.

7. Counsel for the Debtor has conferred with Mr. Waldrep about his appointment as the trustee in this case, and Mr. Waldrep has agreed to such appointment.

WHEREFORE, the Debtor consents to and requests that the Court appoint Thomas W. Waldrep, Jr. as the Chapter 11 trustee in this case on an emergency, *ex parte* basis pending notice and hearing to the extent required by the Court pursuant to § 1104(a) of the Bankruptcy Code.

Dated: March 17, 2019

/s/ Rayford K. Adams III

Rayford K. Adams III (NC Bar No. 8622)  
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Debtor.

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**CERTIFICATE OF SERVICE**

I hereby certify that the foregoing **DEBTOR'S EMERGENCY MOTION FOR AND CONSENT TO APPOINTMENT OF CHAPTER 11 TRUSTEE** was filed electronically in accordance with the local rules and was served upon those listed in **Exhibit A** on the date set forth by first class mail or by electronic service through CM/ECF.

Dated: March 17, 2019

/s/ Rayford K. Adams III

Rayford K. Adams III (NC Bar No. 8622)  
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Email: tadams@spilmanlaw.com

## **EXHIBIT A**

| <b>VIA CM/ECF / E-MAIL</b>   |  |  |
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| <p>Marjorie K. Lynch<br/>434 Fayetteville St.<br/>Suite 640<br/>Raleigh, NC 27601<br/><i>Bankruptcy Administrator</i></p>        | <p>Terri L. Gardner<br/>Nelson Mullins Riley &amp;<br/>Scarborough, LLP<br/>4140 Parklake Avenue, Suite<br/>200<br/>Raleigh, NC 27612<br/><i>Counsel for Petitioning<br/>Creditors</i></p> | <p>Katherine M. McCraw<br/>Assistant Attorney General<br/>N.C. Department of Justice<br/>Post Office Box 629<br/>Raleigh, NC 27602-0629<br/><i>Counsel for NC DHHS/DHB</i></p> |
| <p>Thomas W. Waldrep, Jr.<br/>Waldrep LLP<br/>101 S Stratford Road, Suite 210<br/>Winston-Salem, NC 27104<br/><i>Trustee</i></p> |  |  |
| <b>VIA U.S. MAIL</b>   |  |  |
| <p>CAH Acquisition Company 12, LLC<br/>c/o Corporation Service Company,<br/>251 Little Falls Drive<br/>Wilmington, DE 19808</p>  | <p>Beckman Coulter<br/>250 South Kraemer Blvd.<br/>Brea, CA 92820</p>  | <p>Gemino Healthcare Finance<br/>1 International Plaza<br/>Suite 220<br/>Philadelphia, PA 19113</p>  |
| <p>Hippa Guard<br/>1608 S Ashland Avenue #86038<br/>Chicago, IL 60608</p>  | <p>iHealthcare, Inc.<br/>3901 NW 28<sup>th</sup> Street<br/>2<sup>nd</sup> Floor<br/>Miami, FL 33142</p>   | <p>Labcorp.<br/>PO Box 12140<br/>Burlington, NC 27215</p>  |
| <p>Medline Industries, Inc.<br/>8001 SW 47<sup>th</sup> Street<br/>Wheatland, OK 73097</p>                                       | <p>Miller EMS, LLC<br/>514 1<sup>st</sup> Street<br/>Medford, OK 73759</p>   | <p>Patriot Placement Staffing<br/>2105 Briarwood Drive<br/>Amarillo, TX 79124</p>  |
| <p>PLICO<br/>PO Box 1838<br/>Oklahoma City, OK 73101</p>   | <p>PRN Funding, LLC<br/>25101 Chagrin Blvd. #250<br/>Beachwood, OH 44122</p>   | <p>Quality Systems, Inc.<br/>PO Box 511449<br/>Los Angeles, CA 90051</p>   |
| <p>Reboot, Inc.<br/>PO Box 775535<br/>Chicago, IL 60677</p>  | <p>Rural Community Hospitals<br/>Of America<br/>Attn: Steven White<br/>700 Chappell Road<br/>Charleston WV 25304</p>   | <p>Shared Medical Services, Inc.<br/>PO Box 330<br/>Cottage Grove, WI 53527</p>  |

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| Shi Headquarters<br>300 Davidson Avenue<br>Somerset, NJ 08873  | Sizewize<br>PO Box 320<br>Ellis, KS 67637              | Standley Systems<br>PO Box 460<br>Chickasha, OK 73023 |
| State of Oklahoma<br>Center for Health Sciences<br>1111 W 17 <sup>th</sup> Street<br>Tulsa, OK 74107 | Sysco Food Services<br>PO Box 1127<br>Norman, OK 73070 | Trucode LLC<br>PO Box 5847<br>Alpharetta, GA 30023    |